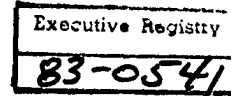




EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Retirement

JAN 25 1983



Honorable William J. Casey  
Director  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Bill:

This letter follows up on my earlier letter of November 18, 1982, in which I wrote you that CIA's position on the Reconciliation Act COLA cap (section 301) would be considered as part of the ongoing budget process.

The Administration's position on section 301 now has been evaluated in terms of its impact on selected groups. Because of the significant savings involved, and the problems presented by opening the provision to exemptions, it has been decided that section 301 would be continued unchanged. //

This decision is, of course, embargoed until the Budget is released. Until that time, accordingly, it is for your information only and should not be used publicly.

I appreciate your position on this matter, but I believe you will understand why exceptions to section 301 cannot be entertained.

Sincerely,

David A. Stockman  
Director





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Control Number

83-00832

JAN 25 1983

Executive Registry

83-0541

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Central Intelligence Agency  
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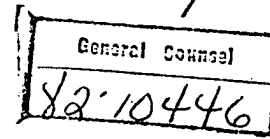
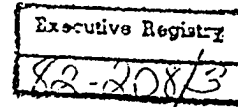
Sincerely,

David A. Stockman  
Director

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EXEC  
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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503



NOV 18 1982

Honorable William J. Casey  
Director  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Bill:

Thank you for your letter of October 15, 1982, expressing your concern about the adverse impact on certain CIA employees of section 301 of the Omnibus Budget Reconciliation Act of 1982, which limits cost-of-living adjustments for retirees under age 62 for the next three years.

As your letter points out, section 301 affects not only the small number of employees subject to the CIA Retirement and Disability System, but also many more military retirees and other personnel who must retire before age 62. As my staff has informally advised your staff, the Administration's position concerning section 301 is being considered as part of the current 1984 Budget process. Although this part of the Reconciliation Act was not initiated by the Administration, it does produce substantial budgetary savings, as Congress intended in enacting it. Any change in its coverage needs to be carefully evaluated; but, clearly, equity to the affected employees must be considered.

Your views on section 301 will be given full consideration in the budget deliberations. Until that process is completed, and a final decision has been made by the President as to a course of action, it is important that the Administration take no position on legislative proposals to revise the current law.

I appreciate your position on this matter.

Sincerely,

David A. Stockman  
Director